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July 25, 1950

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Atomic Energy Intelligence

REFERENCES: A. Memorandum for the Executive Secretary,
NSC, from the Director of Central Intelligence, subject: "Report of the Ad
Hoc Committee on Atomic Energy Intelligence", dated June 12, 1950

- B. Memorandum for the Executive Secretary, NSC, from the Director of Central Intelligence, subject: "Atomic Energy Intelligence", dated June 28, 1950
- C. Memorandum for the Secretaries of State and Defense from the Executive Secretary, NSC, same subject, dated July 5, 1940

The recommendations and comments of the Director of Central Intelligence and the Intelligence Advisory Committee (Reference B) on the report of the Ad Hoc Committee on Atomic Energy Intelligence (Reference A), have been submitted for consideration by the Secretaries of State and Defense as the members of the National Security Council having cognizance of this matter (Reference C).

The Secretary of State has approved the aforesaid recommendations.

The Secretary of Defense, however, approved recommendations 1 through 7 of the Director of Central Intelligence and the Intelligence Advisory Committee, subject to the following observations and reservations:

"RECOMMENDATION 1: I concur in the TAC comments to the effect that no subject matter of intelligence, even atomic energy intelligence, should be accorded 'overriding' priority at all times. Other intelligence items may be of equal or supreme importance in particular situations.

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"RECOMMENDATIONS 2 and 3: Recognizing the importance I concur that within the limits of authorized resources no efforts should be spared to ensure successful accomplishment of its mission.

"With respect to RECOMMENDATIONS 4 to 7, inclusive, the report of the Ad Hoc Committee and the comments of the Intelligence Advisory Committee as well, clearly indicate the continuing lack of effective coordination of Federal intelligence activities both in the collection and centralized processing of atomic energy intelligence. The same criticism is pertinent to other important and related subject matter of intelligence of common concern, such as, general scientific intelligence and economic intelligence. The Act of 1947 places responsibility for the coordination of these activities both in Washington and abroad on the Director, Central Intelligence. This coordination cannot, however, be effectuated without aggressive leadership on his part and whole-hearted support by the heads of departmental agencies and their principal intelligence units overseas. It appears both from the Report and the comments of the IAC that these conditions are still unsatisfactorily fulfilled."

Recommendations 1 through 7 are accordingly referred herewithfor appropriate implementation in accordance with the above actions by the Secretaries of State and Defense.

With respect to the comments of the IAC on the eighth recommendation, the approval of the Secretary of Defense was subject to the following specific reservation:

"I do not find the IAC comments on RECOMMENDATION 8 to be convincing. Existing directives fall far short of coming to grips with urgent and recognizable problems of coordination of intelligence in Washington and overseas. Furthermore, I do not concede that the 'rather elaborate committee structure' is either inevitable or desirable. On the contrary, it is my belief that the intricate committee structure is the consequence of compromises created by inter-bureau rivalries rather than the results of objective study of intelligence organization.

"Dependable conclusions from atomic energy intelligence, as from every other subject matter of national intelligence, should result from evaluation and synthesis within the framework of the Central Intelligence Agency of all available material from every Federal source. Final responsibility for coordinating the collection of this material as well as its processing should rest squarely in the same agency. With that responsibility should go corresponding authority, which now is ambiguous and obscured in the present interlocking committee structure."

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Accordingly, the action of the Secretary of Defense on the eighth recommendation, together with his observations and reservations thereon, is referred to the Director of Central Intelligence and the Intelligence Advisory Committee for further study and preparation of recommendations for consideration by the National Security Council.

/s/

JAMES S. LAY, JR. Executive Secretary

cc: The Secretary of State
The Secretary of Defense

(pencilled note: Copies sent to IAC 8/7/50